

VZCZCXYZ0000
PP RUEHWEB

DE RUEHC #5844 0511544
ZNY SSSSS ZZH
P R 201528Z FEB 09
FM SECSTATE WASHDC
TO RUEHRL/AMEMBASSY BERLIN PRIORITY 0000
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE
RUEHKL/AMEMBASSY KUALA LUMPUR 0000

S E C R E T STATE 015844

SIPDIS

E.O. 12958: DECL: 02/13/2034
TAGS: [MTCRE](#) [PARM](#) [PREL](#) [MNUC](#) [ETTC](#) [KSCA](#) [GE](#) [IR](#) [MY](#)
SUBJECT: MALAYSIA-BASED IRANIAN PROCUREMENT ENTITY SEEKS
GERMAN-ORIGIN ROTARY SWAGING MACHINE (S)

REF: A. 2008 STATE 90515
[1](#)B. 2008 BERLIN 1210
[1](#)C. 2008 STATE 107113
[1](#)D. 2008 BERLIN 1384
[1](#)E. STATE 4159
[1](#)F. BERLIN 92
[1](#)G. STATE 7445

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS 1.4
(C).

[1](#)1. (U) This is an action request. Embassy Berlin,
please see paragraph 5.

[1](#)2. (S) Since mid-2008, the U.S. has on several
occasions shared with Berlin information related to the
efforts of Malaysian-based entities to acquire German-
origin items on behalf of Iranian entities of
proliferation concern (Refs). A number of these
entities, including Toshi Electronics, Elite Advanced
Solutions, and Evertop Services, while based in
Malaysia, have been working on behalf of Iranian
procurement agents. For example, Evertop and Elite are
actually front companies for the Iranian firm Farazeh
Equipment Distributor Company (FEDCO).

[1](#)3. (S) We now would like to share with German officials
information indicating that another Malaysian-based,
Iranian-controlled entity, Skylife Worldwide Sdn Bhd,
has been working to acquire a rotary swaging machine
from the German firm Heinrich Mueller Maschinenfabrik
GmbH (HMP). Specifically, we understand that in August
2008, HMP provided a quotation to Skylife for a model
R5-4 rotary swaging machine. As of late December,
Skylife had submitted a payment of nearly EUR 100,000 -
half the cost of the machine - to HMP. Although rotary
swaging machines are not controlled by the Missile
Technology Control Regime, they can be used to
manufacture turbopump and plumbing components found in
liquid-fueled ballistic missiles. Skylife is procuring
this equipment on behalf of Microset Systems Sdn Bhd,
another problematic Malaysian-based, Iranian-run
entity. Skylife and Microset are co-located, work
closely with one another, and have acted as brokers for
numerous Iranian entities of proliferation concern,
including liquid-propellant ballistic missile developer
Shahid Hemmat Industrial Group, and tactical missile
developer Ya Mahdi Industries.

[1](#)4. (S) Objective: We want to share this information
with German officials, and request that they
investigate and take all appropriate measures to
ensure that Heinrich Mueller Maschinenfabrik is not
acting as a supplier to Iranian entities of
proliferation concern.

[1](#)5. Action Request: Request Embassy Berlin approach
appropriate host government officials to deliver

talking points/non-paper in paragraph 6 below and report response. Talking points also may be provided as a non-paper.

16. (S) Begin talking points/non-paper:

(SECRET//REL GERMANY)

-- We would like to raise with you a matter of proliferation concern and request your assistance in investigating this activity.

-- On several occasions since mid-2008, we have discussed with you efforts by several Malaysia-based procurement entities - including Toshi Electronics, Evertop Services and Elite Advanced Solutions - to acquire German-origin items on behalf of Iranian end-users of proliferation concern.

-- We greatly appreciate your cooperation in investigating the information we have provided you in these cases, and in working to prevent these transfers.

-- We now want to share with you new information indicating that the Malaysian-based entity Skylife Worldwide Sdn Bhd has been working to purchase a rotary swaging machine from the German firm Heinrich Mueller Maschinenfabrik GmbH (HMP).

-- Specifically, we understand that in late August 2008, HMP officer Elmar Pischel provided a quotation to Skylife for a model R5-4 rotary swaging machine.

-- In late December 2008, Skylife advised Pischel that a payment of nearly EUR 100,000 - representing half the cost of the machine - had been transferred to his account.

-- Rotary swaging is a metal forming technique that involves altering the dimensions of an item using multiple dies that hammer a workpiece into a smaller diameter.

-- Although not controlled by the Missile Technology Control Regime, rotary swaging machines can be used to manufacture turbopump and plumbing components found in liquid-fueled ballistic missiles.

-- Skylife is procuring this equipment on behalf of another Malaysia-based firm, Microset Systems Sdn Bhd.

-- Skylife and Microset are both Iranian-run procurement entities and have acted as brokers for numerous Iranian entities of proliferation concern, including liquid-propellant ballistic missile developer Shahid Hemmat Industrial Group, and tactical missile developer Ya Mahdi Industries.

-- Skylife and Microset work closely with one another and are located in the same building in Kuala Lumpur.

-- We urge you to investigate this information and take all appropriate measures to ensure that Heinrich Mueller Maschinenfabrik is not acting - even unwittingly - as a supplier to Iranian entities of proliferation concern.

-- We look forward to hearing of any actions your government takes in response to this information.

17. (U) Washington POC is ISN/MTR John Paul Herrmann (Phone: 202-647-1430). Please slug any reporting on this issue for ISN/MTR, EAP/MTS, EUR/CE, and EUR/PRA.

18. (U) A word version of this document will be posted at www.state.gov/demarche.
CLINTON